

A. G. Contract No. KR01 1186TRN
ADOT ECS File: JPA 01-92
Proj: Rural Public Transportation
Sect: FY01-02 Section 5311 Transit

INTERGOVERNMENTAL AGREEMENT

BETWEEN

THE STATE OF ARIZONA

AND

THE CITY OF COTTONWOOD

827 N. Main Street

Cottonwood, AZ 86326

THIS AGREEMENT is entered into 12 September 2001,
pursuant to Arizona Revised Statutes Section 11-952 through 11-954 as
amended, between the STATE OF ARIZONA, acting by and through its
DEPARTMENT OF TRANSPORTATION (the "State") and the CITY OF COTTONWOOD,
acting by and through its MAYOR and CITY COUNCIL (the "City").

I. RECITALS

1. The State is empowered by Arizona Revised Statutes Section 28-401 and 28-334 to enter into this agreement and has by resolution, a copy of which is attached hereto and made a part hereof, resolved to enter into this agreement and has delegated to the undersigned the authority to execute this agreement on behalf of the State.

2. The City is empowered by Arizona Revised Statutes Section 48-572 to enter into this agreement and has by resolution, a copy of which is attached hereto and made a part hereof, resolved to enter into this agreement and has authorized the undersigned to execute this agreement on behalf of the City.

3. The Federal Transportation Equity Act, Twenty First Century (TEA-21) has made funds available for the period 1 October 2001 through 30 September 2002, to the State to obtain and provide public transportation (Section 5311 transit). The State and the City desire to define their respective responsibilities relating to the transfer of up to \$222,300.00 through the State to the City and the expenditure thereof.

THEREFORE, in consideration of the mutual agreements expressed herein, it is agreed as follows:

=====

NO 24878
Filed with the Secretary of State
Date Filed 09/12/01
[Signature]
Secretary of State

Vicky D. Greenewald

II. SCOPE

1. The State will:

Provide the City federal funds in the amount of up to \$222,300.00, on a monthly cost reimbursement basis for activities performed relating to the Section 5311 public transportation program.

2. The City will:

a. Apply funding to project work activities in strict accordance with applicable Federal and State laws, rules and regulations.

b. Conduct related work activities generally in accordance with Attachment A and attachments thereto, which are incorporated herein and made a part hereof. Be responsible for all costs of the program over and above the State contribution of \$222,300.00.

c. Provide the required \$121,637.00 match in funds or in-kind services, and invoice the State for reimbursement no more often than monthly.

III. MISCELLANEOUS PROVISIONS

1. The only interest of the Arizona Department of Transportation in this agreement is to convey federal pass through funds for the use and benefit of the City by reason of State and Federal law under which funds for the activities are authorized to be expended. The City hereby agrees to save and hold harmless and indemnify from loss the State, any of its departments, agencies, officers or employees from any and all cost and/or damage incurred by any of the above and from any other damage to any person or property whatsoever, which is caused by any activity, condition, or event arising out of the performance, nonperformance or negligent performance of any provisions of this agreement by the State, any of its departments, agencies, officers and employees, the City, any of its agents, officers and employees, or any of its independent contractors. Costs incurred by the State, any of its departments, agencies, officers or employees shall include in the event of any action, court costs, expenses of litigation or attorneys' fees.

2. This agreement shall remain in force and effect until completion of said activities and reimbursements; provided, however, that this agreement may be cancelled at any time prior to the commencement of performance, upon thirty (30) days written notice to the other party.

3. Should the work contemplated under this agreement be completed at a lower cost than the reimbursed amount, or for any other reason should any of these funds not be expended, a proportionate amount of the funds provided shall be reimbursed to the State.

4. This agreement shall become effective upon filing with the Secretary of State.

5. This agreement may be cancelled in accordance with Arizona Revised Statutes Section 38-511.

6. The provisions of Arizona Revised Statutes Section 35-214 are applicable to this contract.

7. In the event of any controversy which may arise out of this agreement, the parties hereto agree to abide by required arbitration as is set forth in Arizona Revised Statutes Section 12-1518.

8. All notices or demands upon any party relating to this agreement shall be in writing and shall be delivered in person or sent by mail addressed as follows:

Arizona Department of Transportation
Joint Project Administration
205 South 17 Avenue, Mail Drop 616E
Phoenix, AZ 85007

City of Cottonwood
City Manager
827 N. Main Street
Cottonwood, AZ 86326

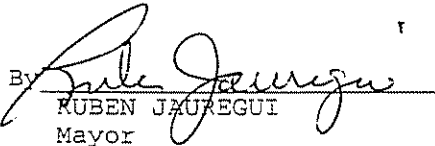
9. Attached hereto is the written determination of each party's legal counsel that the parties are authorized under the laws of this state to enter into this agreement and that the agreement is in proper form.

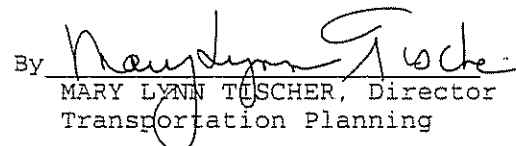
IN WITNESS WHEREOF, the parties have executed this agreement the day and year first above written.

CITY OF COTTONWOOD

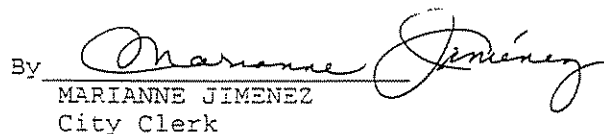
STATE OF ARIZONA

Department of Transportation

By 
RUBEN JAUREGUI
Mayor

By 
MARY LYNN TISCHER, Director
Transportation Planning

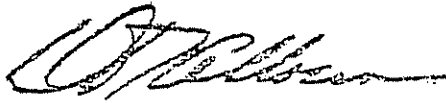
ATTEST

By 
MARIANNE JIMENEZ
City Clerk

RESOLUTION

BE IT RESOLVED on this 18th day of July 2001, that I, the undersigned MARY E. PETERS, as Director of the Arizona Department of Transportation, have determined that it is in the best interests of the State of Arizona that the Department of Transportation, acting by and through the Transportation Planning Division, to enter into an agreement with various recipients for the purpose of defining responsibilities for conveying Section 5311 transit funds

Therefore, authorization is hereby granted to draft said agreement which, upon completion, shall be submitted to the Director of Transportation Planning for approval and execution.



DAVID R. ALLOCCO, P.E.
Assistant State Engineer
Engineering Technical Group
for Mary E. Peters, Director

ATTORNEY APPROVAL

I have reviewed the attached agreement pursuant to A.R.S. 11-952 and declare this agreement to be in proper form and within the powers and authority granted to The City of Cottonwood under the laws of the State of Arizona.

No opinion is expressed as to the authority of the remaining parties to enter into said agreement.

DATED this 7th day of August, 2001

Michael J. Fursten

SCOPE OF WORK

1. The Contractor shall undertake and complete the activities as proposed in the approved application for Section 5311 funds. Such activities, hereinafter called Project, shall be accomplished as described in the Project Description, Attachment A.
 - a. The cost of the Project is estimated as indicated in Attachment B, Project Budget. The State of Arizona assumes no financial obligation or liability hereunder.
 - b. The method of payment shall be reimbursement of eligible costs incurred, up to the limits described herein. In accordance with the payment and reporting schedules prescribed by this Agreement, the Contractor shall submit reports and Project billings to State for reimbursement of non-operating and operating expenses. Approved capital expenses may be billed for reimbursement as incurred. In no event shall the total amount reimbursed by State exceed the federal share approved for the project.
 - c. Billings for reimbursement of eligible expenses and reports of contract activities shall be submitted preferably on a monthly basis, but no less than quarterly on forms provided by State, or on a spreadsheet template.
 - d. Each request for reimbursement must be accompanied by a reimbursement description which will include information to verify the reimbursement request amount. Items to be included will be description/purpose, amount and code which will relate to the budget line item. Reimbursement will not be processed unless all information is provided in correct form.
 - e. Each activity report shall include, but not be limited to, data regarding ridership, mileage, operating hours, fare recovery ratio, cost per passenger trip, cost per mile, non capital cost per service hour, passengers per service hour, passengers per mile. State may impose a penalty of a 5% reduction of total federal reimbursement per billing period for all billings or reports submitted more than 90 calendar days after the end of the billing period. An exception will be made for the final billing, which may be submitted up to 60 calendar days after the end of the final billing period, before becoming subject to the late penalty.
 - f. Eligible costs are those costs attributable to the Project and allowable under the approved Project budget and the provisions of:
 - 1) Office of Management and Budget (OMB) Circular A-87, "Cost Principles Applicable to Grants and Contracts with State and Local Government."
 - 2) OMB Circular A-102, "Uniform Administrative Requirements for Grants-in-Aid to State and Local Governments."
 - 3) OMB Circular A-102, Attachment O, "Standards Governing State and Local Grantee Procurement."
 - 4) OMB Circular A-133, "Audit Requirements "
 - g. All costs charged to the Project shall be supported by properly executed payrolls, time records, invoices, vouchers, warrants, and any other support evidencing that those costs were specifically incurred in the performance of the Project.

h. The Federal share payable for Project Budget expenses shall be subject to the following limits:

- 1) Capital expenses shall not exceed 80% of the net cost.
- 2) Administrative expenses shall not exceed 80% of the net cost.
- 3) Operating expenses shall not exceed 50% of the net operating costs or deficit.
- 4) Anti-drug compliance costs shall not exceed 80% of the net cost.
- 5) Training costs shall not exceed 100% of the net cost.

i. At least half of the Contractor's share for all expenses must be provided from sources other than Federal funds or from approved in-kind expenses. The remaining half of the Contractor's share may be made up of unrestricted funds from other Federal programs as described in Attachment B, Project Budget.

j. All donation and advertising revenues received in excess of the budgeted local match shall be used to reduce the federal share of the Project budget.

k. Lien on Project Equipment - To the extent of financial assistance provided, State shall hold a first lien on all capital equipment acquired under this Agreement in the amount of the federal share of the equipment cost. State shall also hold a first lien on any computer hardware, software or office equipment provided to the Contractor and paid for by State.

2. Use and Disposal of Project Equipment

a. Contractor shall observe the property management standards as set forth in OMB Circular A-102, Attachment N. The Contractor further agrees that the Project equipment shall be used for the provision of transportation service within the described service area and in the manner described in Attachment A, Project Description. If, at any time, the contract with State for the described service is terminated or Project equipment is not used in this manner, or is withdrawn from transportation service whether by planned withdrawal or casualty loss, the Contractor shall notify State within 72 hours of such event, and shall remit to State a proportional amount of the fair market value, if any, of the property, which shall be determined on the basis of the ratio of federal financial assistance to the actual cost of the equipment. Fair market value shall be deemed to be the value of the property as determined by competent appraisal at the time of such misuse or withdrawal from use, and as approved by State. In the event of loss due to theft, casualty or fire, the damages paid by the insurance carrier or payable from a self-insured reserve account shall be considered fair market value. In no event is salvage value to be considered fair market value. Upon State's receipt and approval of said payment, State's lien shall be released.

b. Records

1) The Contractor shall keep satisfactory records with regard to the use of equipment purchased under this contract and shall submit to State upon request such information as is required in order to assure compliance with this clause. The Contractor shall submit to State during the period of required use of Project equipment, a certification that the equipment is still being used in accordance with the terms of this Agreement.

2) Project vehicles may not be used for non-Project purposes.

c. The Project equipment shall at all times be operated in a safe, prudent, lawful manner and within the limitations established by the manufacturer. The Contractor shall maintain the Project equipment in safe and mechanically sound condition and shall keep accurate records of such maintenance. The State shall have the right to conduct periodic inspections or site visits of Contractor's records and the Project equipment to verify compliance with this requirement.

d. The Contractor agrees to conduct a persistent and visible promotional program in order to insure that all facets of the service are known by and available to the general public, and in order to increase ridership on all trips. The Contractor shall provide State with copies or samples of promotional materials used. The Contractor shall submit to State on an annual basis, a plan describing marketing activities including, but not limited to, the following:

e. As part of the annual marketing plan, the Contractor is required to conduct formal and/or informal market analysis to determine what improvements can be made to the Project to better serve the general public.

f. The Contractor shall display, in a manner acceptable to State, a decal or similar sign on the exterior of the Project vehicles indicating that this device is open to the general public.

g. Changes to fares, routes, schedules, and the schedule of activities in Attachment A, Project Description, may be made with prior written approval from State without requiring a written amendment to this agreement.

h. Changes to budget line items may be made in accordance with the following rules:

- 1) Changes in and between operating and administration budget line items that are not in excess of 5% of the total Project cost, may be made with State's prior written approval.
- 2) Administrative funds may be rebudgeted for operating expenses with State's prior written approval. Operating funds shall not be reprogrammed for administrative expenses.
- 3) The capital contingency line item shall be used only for cost overruns of capital line items named in the Project budget.
- 4) No anti-drug compliance cost line items shall be reprogrammed for other expenses.
- 5) No training funds shall be reprogrammed for other expenses.

i. All other changes mutually agreed upon shall be incorporated by written amendments to this Agreement.

j. The Contractor shall furnish certificates to State showing motor vehicle liability insurance in force for the use of Project equipment for the following minimum amounts:

- 1) Collision and Comprehensive Insurance -- (as applicable).
- 2) Personal Injury, Medical, and Uninsured Motorist -- \$300,000.
- 3) Public Liability and Property Damage -- \$1,000,000.

Insurance Certificates shall name the State as additional insured. If the State holds liens on any Project equipment, insurance certificates shall also name State as loss payee. Insurance policies shall be occurrence form unless otherwise approved in writing by State. Such certificates are to be delivered to State concurrently with execution of this contract.

3. Procurement Requirements

a. The Contractor shall make purchases of any equipment, materials or services for the Project in compliance with the following:

- 1) Federal Management Circular A-87.
- 2) OMB Circular A-102, Attachment O.
- 3) UMTA Circular 7010.1, Capital Cost of Contracting.
- 4) Title 49, Code of Federal Regulations, 49USC 5323(I) 49CFR Part 661, "Buy America Requirements."
- 5) Title 49, CFR Part 23, "Participation by Minority Business Enterprise in Department of Transportation Programs", as amended.
- 6) UMTA Circular 4716.1, the UMTA Disadvantaged Business Enterprise Women Business Enterprise requirements for Recipients and Transit Vehicle Manufacturers.
- 7) State "DBE" Program Plan.
- 8) UMTA Order 4220.1A, "Third-Party Contracting Guidelines" dated 6-8-82.
- 9) State "Section 5311 Required Purchasing Procedures."
- 10) Pre-award and Post Delivery Audit Requirements, 49USC 5323, 49CFR Part 663.
- 11) Bus Testing Certification of compliance 49USC 3323 (c), 49 CFR Part 665.
- 12) Debarment Suspension Certification.

b. The Contractor shall submit its bid specifications to State for approval prior to release of the specifications to possible bidders. State shall concur in the bid award prior to any agreement or contract being executed for the purchase of services or capital equipment for the Project exceeding \$5,000.

OTHER PROVISIONS

1 Retention of Records, Audit, and Reimbursement for Audit Exceptions.

a. The Contractor, and any subcontractor, shall retain all books, accounts, reports, files and other records relating to this contract for a period of five years from completion of the contract. Such records shall be subject to audit and inspection at any reasonable time during the term of the contract or within five years after completion thereof, as provided by ARS Section 35-214.

b. The final audit of this Project will be conducted pursuant to OMB Circular A-133, the "Guidelines for Financial and Compliance Audits of Federally Assisted Programs," and generally accepted auditing standards established by the American Institute of Certified Public Accountants. The Contractor also agrees to provide State with a copy of the final audit report.

c. The Contractor agrees to reimburse State for any expenditure under this Agreement for which it received payment or reimbursement, as applicable, which is disallowed by an audit exception by State, the State or federal government.

d. If federal or state audit exceptions are made relating to this contract, the Contractor shall reimburse all costs incurred by the State of Arizona and State associated with defending against the audit exceptions or performing an audit or follow-up audit including but not limited to: audit fees, court costs, attorney fees based upon a reasonable hourly amount for the Assistant Attorney General based upon reasonable charges in the community, travel costs, penalty assessments, and all other costs of whatever nature.

e. Immediately upon notification from State, the Contractor shall reimburse the amount of the audit exception and any related costs directly to the appropriate Federal agency or State as specified by State in the notification. The Contractor shall indemnify the State and hold them, their officers, agents, and employees harmless against any and all liability or damages in regard to audit exceptions.

f. The Single Audit Act requires: All sub-recipients which receive less than \$300,000 will no longer be required to submit single audit reports, however, the State shall have an audit made IAW Circular A-133. The audit shall cover the entire operations of the State and the sub-recipient.

The auditor shall determine whether (1) the financial statements of the government department, agency or establishment present fairly its financial position and results of its financial operations IAW generally accepted accounting principles; (2) the organization has internal accounting and other control systems to provide reasonable assurance that it is managing Federal financial assistance programs IAW applicable laws and regulations; and (3) The organization has complied with laws and regulations.

2. If, during the course of this Agreement, situations arise which prevent its completion within the time allotted, an extension of the contract time may be granted by mutual agreement of the parties hereto.

3. If this contract is terminated, Contractor will be compensated for work performed up to the effective date of termination.

4. Failure to perform any and all of the terms and conditions of this contract, including the schedule of work, shall be deemed a substantial breach thereof. The State shall give the Contractor written notice thereof. After receipt of such notice, the Contractor shall have five working days in which to respond. In the event the Contractor does not cure such failure to the satisfaction of State, the State may terminate this Contract without further consideration by so notifying the Contractor in writing. In the event of cancellation of this Contract, Contractor shall not be entitled to damages and agrees not to sue State for damages therefor. After notice of cancellation, Contractor agrees to perform the terms and conditions of this contract up to and including the date of cancellation, as though no cancellation had been made.

5. Subcontracts

a. The Contractor shall not assign any portion of the work to be performed under this Agreement, or execute any contract, amendment or change order thereto, or obligate itself in any manner with any third party with respect to its rights and responsibilities under this Agreement without the prior written concurrence of State.

- b. Should subcontractors be authorized by State, the subcontractors will be subject to all provisions of this Agreement. It will be the Contractor's responsibility to duly inform the subcontractors by means of a contract or other legally binding document stipulating the subcontractors responsibility to comply with this Agreement.
6. The Contractor hereby agrees to indemnify, defend and save harmless the State, any of its departments, divisions, agencies, officers or employees from all sums which the State, any of its departments, divisions, agencies, officers or employees may be obligated to pay by reason of any liability imposed upon any of the above for damages arising out of the performance of the Project or this Agreement, or caused by any error, negligence, omission or act of the Contractor or any person employed by him, or others for whose acts the Contractor is legally liable. In the event of any legal action, the above sums shall include, but not be limited to court costs, expenses of litigation and reasonable attorney's fees.
7. It is not the intent of this Agreement to place the State in the role of guarantor for protections in instances where a legally and financially responsible Contractor defaults on its obligations. The State enters into this Agreement to absolve itself of financial liability for the terms and conditions of the Section 13(c) Special Warranty, included herein by reference, assigning liability to the Contractor through this Agreement between the State and Contractor. The Contractor agrees to assume said liability and agrees that the terms and conditions of the Section 13(c) Special Warranty shall apply for the protection of the transportation related employees of any employer providing transportation services assisted by the Project, and transportation related employees of any other surface public transportation providers in the transportation service area of the Project. An appeal under Section 13(c) shall not void or suspend the terms of this Agreement.
8. No member of the Arizona Legislature nor any member of or delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom. The provisions of this clause shall be extended to all public employees, officers, or tribal council members.
9. The Contractor shall comply with all federal, state and local laws, ordinances, rules and regulations applicable to the performance of this contract and the work hereunder.
10. The Contractor shall comply with all applicable requirements of the following regulations relative to nondiscrimination:
- a. Title VI of the 1964 Civil Rights Act.
 - b. Executive Order 83-5.
 - c. 49 CFR Part 23, "Participation by Minority Business Enterprises in Department of Transportation Programs."
 - d. 49 CFR Part 23, 45 CFR 45281 (7/3/80), "Guidance for Implementing DOT Rules Creating a Minority Business Enterprises Program in DOT Financial Assistance Programs."
 - e. 9 CFR Part 23, 48 CFR 141 (7/21/83), "Participation by Minority Business Enterprises in Department of Transportation Programs."
 - f. 49 CFR 27, Parts 37 and 38 Transportation for Individuals with Disabilities; Final Rule
 - g. 49 CFR 21, "Nondiscrimination in Federally Assisted Programs of the Department of Labor Regulations (41 CFR Part 60).

11. The Contractor agrees to comply with State's "Program Plan for Participation of Disadvantaged Business Enterprises."
12. Other Regulations
 - a. The Contractor shall address the needs of the elderly and disabled persons, pursuant to Section 504 of the Rehabilitation Act of 1973 (20 USC 794).
 - b. The Contractor shall comply, as applicable, with the labor protection provisions of Section 13(c) of the Urban Mass Transportation Act of 1964, as amended.
 - c. The Contractor shall comply, as applicable, with the Guidelines relative to charter bus and school bus operations.
13. General Requirements for Recipients
 - a. Policy. It is the policy of the Department of Transportation that minority business enterprises as defined in 49 CFR Part 23 shall have the maximum opportunity to participate in the performance of contracts financed in whole or part with Federal funds under the MBE requirements of 49 CFR Part 23 apply to this agreement.
 - b. Recipients and their contractors shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of DOT-assisted contracts.
 - c. Each DOT financial assistance agreement shall include the following: If as a condition of assistance the recipient has submitted and the Department has approved a minority business enterprise affirmative action program which the recipient agrees to carry out, this program is incorporated into this financial assistance agreement by reference. This program shall be treated as a legal obligation and failure to carry out its terms shall be treated as a violation of this financial assistance agreement. Upon notification to the recipient of its failure to carry out the approved program the Department shall impose such sanctions as noted in 49 CFR Part 23, Subpart E, which sanctions may include termination of the agreement or other measures that may affect the ability of the recipient to obtain future DOT financial assistance.
 - d. The recipient shall advise each subrecipient, contractor, or subcontractor that failure to carry out the requirements set forth in 49 CFR, Part 23 breach of contract and, after the notification of the Department, may result in termination of the agreement or contract by the recipient or such remedy as the recipient deems appropriate.
 - e. Recipients required to submit affirmative action programs under § 23.41 (a)(2) or (a)(3) that have business opportunities for lessees shall submit to the Department for approval with their programs overall goals for the participation as lessees of firms owned and controlled by minorities and firms owned and controlled by women. These goals shall be for a specified period of time and shall be based on the factors listed in § 23.45(g)(5)
 - f. Except as provided in this section, recipients are not required to include lessees in their affirmative action programs. Lessees themselves are not subject to the requirements of this part, except for the obligation of § 23.7 to avoid discrimination against MBE's.

14. Required MBE program components.

a. The MBE liaison officer shall be responsible for developing, managing, and implementing the MBE program on a day-to-day basis; for carrying out technical assistance activities for MBE's; and for disseminating information on available business opportunities so that MBE's are provided an equitable opportunity to bid on the applicant's contracts.

b. Procedures to ensure that MBE's have an equitable opportunity to compete for contracts and subcontracts. The recipient shall develop and use affirmative action techniques to facilitate MBE participation in contracting activities. These techniques include:

(1) Arranging solicitations, time for the presentation of bids, quantities, specifications, and delivery schedules so as to facilitate the participation of MBE's.

(2) Providing assistance to MBE's in overcoming barriers such as the inability to obtain bonding, financing, or technical assistance.

(3) Carrying out information and communications programs on contracting procedures and specific contracting opportunities in a timely manner, with such programs being bilingual where appropriate.

c. Recipients subject to the disadvantaged business enterprise program requirements of 49 CFR Part 23 shall compile and update their directories annually. The directories shall include the addresses of listed firms.

ADMINISTRATION BUDGET

Position	% Time	Budget Amount
A. Administrative Expenses		
Transit Director/Coordinator	70%	\$ 22,890.00
Other Salaries (Specify below)	70% FRINGE	\$ 6,930.00
Travel Expenses		\$ 500.00
Space Rental		\$ 0
Audit		\$ 500.00
Utilities		\$ 4,000.00
Marketing / Advertising		\$ 1,000.00
Printing		\$ 1,000.00
Rental Equipment		\$ 0
Substance Abuse Program		\$ 750.00
Other (Specify below) (Office Supplies)		\$ 2,000.00
B. Administration Subtotal (This subtotal cannot exceed 40% of the combined federal administrative and operating expenses – see * below)		(1) \$39,570.00
C. Local Share (at least 20% of line 1)		(2) \$ 7,914.00
D. Federal Share Requested (No more than 80% of line 1)		(3) \$31,656.00
E. Local Share Source **		
LOCAL SHARE		AMOUNT
Cottonwood LTAF – 56%		\$4,431.00
Clarkdale LTAF – 18%		\$1,425.00
Yavapai County – 26%		\$2,058.00

* Federal share of Administration Budget plus federal share of Operating Budget divided by Administration Subtotal (Box B) cannot exceed 40%.

** All in-kind contributions used as part of the local match must also be listed as cost items under Part A above.

OPERATING BUDGET

A. Operating Expenses	Budget Amount
Driver Salaries	\$ 74,030.00
Other Salaries (Specify below)	\$ 15,850.00
Transportation Manager (30%)	\$ 9,810.00
Dispatcher/Driver	\$ 23,240.00
Total Fringe Benefits	\$ 34,700.00
Fuel and Oil	\$ 17,000.00
Tires, Parts, Maintenance	\$ 23,000.00
Vehicle Licenses	\$.0
Vehicle Insurance	\$ 5,700.00
Uniforms	\$ 500.00
Other Expenses (Specify below)	
Stop Signage/Vehicle Decals	\$.0
Radio Maintenance	\$ 1,000.00
TOTAL ELIGIBLE OPERATING COSTS	(1) \$204,830.00
B. Fare Revenues (see explanation below) "Other Operating Revenues"	\$41,548.00
TOTAL: (Fare Revenues & Other Operating Revenues)	(2) \$41,548.00
C. Net Operating Costs (fixed route cannot exceed 21% and demand response must not exceed 17%) (subtract line 2 from line 1)	(3) \$163,282.00
Additional Local Revenue	
D. Local Share (at least 50% of line 3)	(4) \$ 103,938.00
E. Federal Share Requested (no more than 50 % of line 3)	(5) \$ 59,344.00
Local Share Source *	Amount
City of Cottonwood - 56%	\$43,392.00
Town of Clarkdale - 18%	\$13,948.00
Yavapai County - 26%	\$20,146.00

Be sure to include source and amount for fare differential, if any. Explanation of Fare Revenues calculation - see Program Budget Section of Guidelines. Projects, which do not expect to meet the minimum, required farebox recovery ratio (22% for fixed route, 17% for demand responsive systems) must provide the difference from local funds. If "Other Operating Revenues" are expected to be utilized, total both fare revenues and other operating revenues must subtracted from the gross operating expenses.

*All in-kind contributions used, as part of the local match must also be listed as cost items under part A above.

E. COST ESTIMATES

List cost estimates for all above requested items showing an 80% Federal Share. Itemize cost estimates for any requests for vehicle rehabilitation:

Requested Item	Quantity	Unit Cost	Subtotal
New Mini-Bus			
Diesel Engine	2	\$56,500.00	\$113,000.00
And color scheme painting			
Computer	1	\$2,000.00	\$ 2,000.00
Steel Awnings	4	\$1,500.00	\$ 6,000.00
Telephone System	1		\$ 18,785.00

TOTAL CAPITAL COST: \$ 139,785.00

FEDERAL SHARE: 93% \$ 130,000.00 *

LOCAL SHARE: 7% \$ 9,785.00

*Funding for capital assistance will be provided from FY 2001 02 STP "flex funding" that requires a decreased local match. The funding at decreased local match rates will be applicable on a year-by-year basis and may not be available in future years. Additional Section 5311 program funding may become available at an 80/20 match rate.

SUMMARY SHEET

AZ-18-002D

FY 2001-02

City of Cottonwood

	CAPITAL STP		ADMIN. 80/20	OPERATING 50/50	TRAINING 100%	TOTAL
	5311 80/20	SPR 93/7				
LOCAL		9,785	7,914	103,938		121,637
FEDERAL		130,000	31,656	59,344	1300	222,300
FARE REVENUES				41,548		41,548
Other Operating Revenue						
TOTAL		139,785	39,570	204,830	1300	385,485

ATTACHMENT A

FY 2001 / 2002

GRANT 20

City of Cottonwood

SECTION 1. SERVICE AREA

The service area shall be in the Verde Valley of Yavapai County, particularly in and around the Cities of Cottonwood and Clarkdale.

SECTION 2. PROJECT SUMMARY

The Contractor shall provide public transportation service in the service area, on a demand responsive basis with necessary curb-to-curb or door-to-door service. Service will be Monday-Friday from 7:00 a.m. to 5:00 p.m. and on Saturday from 9:00 a.m. to 2:00 p.m.

SECTION 3. ROUTES AND SCHEDULES

Routes and schedules shall be as described in the Contractor's approved application for funding.

SECTION 4. FARES

Zone A--\$3.00 fare per round trip/\$1.50 per one way trip

Zone B--\$4.00 fare per round trip/\$2.00 per one way trip

The Contractor shall not issue any free ride coupons or reduced ride passes without prior approval from ADOT.

If fare revenues fall below 17% of combined operating and administrative costs, the Contractor agrees to make up the difference from local funds.

If, however, the contractor cannot make up the difference from local funds and or, if the contractor has not performed with contract schedule of activities, ADOT may deduct the difference from the Operating and or Administrative Federal Share.

Any fares collected will be applied toward the reduction of contract operational costs. If operational costs are funded completely from collected fares, any excess fares will be used to reduce the federal share of contract administrative costs.

SECTION 5. COST ALLOCATION

Since the PROJECT vehicles may also be used for non-PROJECT purposes, (with ADOT approval) the Contractor agrees to keep accurate vehicle mileage logs to distinguish between PROJECT and non-PROJECT mileage. ADOT will reimburse vehicle related operating expenses in proportion not to exceed the number of actually driven PROJECT miles as a percentage of the total miles.

;

SECTION 6. EQUIPMENT AND MAINTENANCE

The Contractor will utilize at 3 vehicles for this PROJECT, including one 10-15 passenger van leased by the Contractor from YARC. Maintenance and repairs will be the responsibility of the Contractor.

SECTION 7. SCHEDULE OF ACTIVITIES

The Contractor agrees to complete the following activities. Reports documenting the completion of these activities shall be submitted to ADOT by the dates shown below. ADOT may withhold reimbursements for administrative expenses if the schedule is not met by the Contractor.

**ATTACHMENT A
REPORTS**

DUE DATES

- | | | |
|------|---|--|
| 1. | Minutes of Transit
Advisory Committee | Jan 2002
April 2002
July 2002
Sept 2002 |
|
 | | |
| 2. | Annual Disadvantaged
Business Enterprise
Report (DBE)
For applicants receiving
in excess of \$250,000
exclusive of capital
purchase | July 2002 |
|
 | | |
| 3. | Three Year Transit
Plan | Part of application package |
|
 | | |
| 4. | Private Sector
Policies & Procedures | Part of application package |



STATE OF ARIZONA

OFFICE OF THE ATTORNEY GENERAL

JANET NAPOLITANO
ATTORNEY GENERAL

1275 WEST WASHINGTON, PHOENIX, AZ. 85007-2926

TRN Main: (602) 542-1680

Direct: (602) 542-8855

Fax: (602) 542-3646

MAIN PHONE: (602) 542-5025

FACSIMILE: (602) 542-4085

INTERGOVERNMENTAL AGREEMENT
DETERMINATION

A.G. Contract No. KR01-1186TRN, an agreement between public agencies, has been reviewed pursuant to A.R.S. § 11-952, as amended, by the undersigned Assistant Attorney General who has determined that it is in the proper form and is within the powers and authority granted to the State of Arizona.

No opinion is expressed as to the authority of the remaining parties, other than the State or its agencies, to enter into said agreement.

DATED September 6, 2001.

JANET NAPOLITANO
Attorney General

SUSAN E. DAVIS
Assistant Attorney General
Transportation Section

SED:ggt

Enc.

702420